

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3825-01
BILL NO. HB 1684
SUBJECT: Fire Protection: Taxation and Revenue - Sales and Use
TYPE: Original
DATE: February 2, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>All</u> State Funds*	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

*** Subject to voter approval. Revenue, if any, could exceed \$100,000**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	Unknown	Unknown	Unknown

***This proposal is permissive and would have no fiscal impact without voter approval.**

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

In a similar proposal from a prior year, officials of the **Department of Revenue (DOR)** assumed there could be an increase in total state revenues from the 1% collection fee from fire protection districts that pass the sales tax measure. Officials stated the sales tax could be collected with existing resources. The amount of income generated from the 1% collection cannot be determined.

Officials of the **Department of Public Safety** stated this proposal would not fiscally impact their agency.

Oversight assumes this proposal is permissive and would have no fiscal impact, unless the voters would approve the imposition of a sales tax for fire protection services.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Income to Department of Revenue

From 1% collection fee for fire protection sales tax	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 to <u>Unknown*</u>	\$0 to <u>Unknown*</u>	\$0 to <u>Unknown*</u>
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***The number of eligible fire protection districts that would receive voter approval to impose a fire protection sales tax and at what rate is indeterminable.**

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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LOCAL FIRE PROTECTION DISTRICTS

<u>Costs</u> - Local Election costs	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
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FISCAL IMPACT - Local Government
(continued)

FY 2001
(10 Mo.)

FY 2002

FY 2003

Revenue from fire protection
sales tax

\$0 to
Unknown

\$0 to
Unknown

\$0 to
Unknown

**ESTIMATED NET EFFECT ON
FIRE PROTECTION DISTRICTS**

Unknown

Unknown

Unknown

FISCAL IMPACT - Small Business

Small business located with an area that approved the imposition of sales tax would be fiscally impacted to the extent of collection and administration of the sales tax.

DESCRIPTION

Under current law, Raytown and municipalities having a municipal fire department are allowed to impose a sales tax of up to 0.25% on all retail sales made within the municipality. The tax is to be used exclusively for the operation of the fire department. This bill allows any fire protection district to impose this tax upon voter approval.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety



Jeanne Jarrett, CPA
Director
February 2, 2000

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